



News Release

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**IRS FILING SEASON ONE OF THE BEST EVER;
E-FILING HITS RECORD, TAXPAYER SERVICE IMPROVES**

WASHINGTON – The Internal Revenue Service reached new standards for performance during this year's tax filing season, highlighted by record numbers of people filing electronically and significant improvements in taxpayer service.

"The IRS delivered one of the best filing seasons ever, even as the agency continued putting in place its most sweeping reorganization in decades," IRS Commissioner Charles O. Rossotti said Thursday.

Rossotti and John Dalrymple, Commissioner of the Wage and Investment Division, proclaimed the filing season a success as the agency released a new set of statistics illustrating IRS progress on taxpayer service. Cautioning that the figures, while impressive, simply document advances toward the goals of the new agency, Rossotti noted that this year's progress occurred even though the agency's new management structure has been in place just since October.

"This year, the IRS provided better service to taxpayers than ever before," Rossotti said. "Of course, this does not mean we are satisfied. We have much room for further improvement, but this year's results are a step in the right direction."

According to Dalrymple, "In addition to improved telephone and walk-in services, our growing array of online capabilities is attracting more and more taxpayers and tax preparers who demand maximum speed, security and convenience."

Highlights of this year's filing season include:

- **Electronic tax filing sets new record.** Through April 20, taxpayers filed nearly 39.5 million returns electronically, breaking the 35.4 million record for all of last year. By the time the e-filing program ends later this year, the IRS expects to receive about 40 million returns -- more than 30 percent of individual taxpayers.
- **Home computer use soars.** People using home computers to e-file jumped to more than 6.6 million, shattering the old record. It's a 35 percent increase from last year's self-preparer number.

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- **IRS.GOV attracts more taxpayers and doubles downloads.** The IRS web site at www.irs.gov remains one of the most frequently visited sites during tax season. Through April 16, the site recorded more than 1.5 billion hits this year, a 57 percent increase from last year. More importantly, the number of forms and other documents downloaded topped 103 million through February, a 100 percent increase from the same period last year.

“More and more, taxpayers and tax practitioners are embracing computers to help with their taxes,” Rossotti said.

- **Direct deposit of tax refunds up.** This year, a record number of taxpayers used direct deposits for their refunds. Taxpayers filing more than 31 million returns selected direct deposit, the safest and fastest way to get refunds. That’s an increase of 14.5 percent from last year.
- **Tax processing continues at rapid pace.** Workers at IRS Centers continue processing tax returns at an efficient rate with more than 83 million processed. This rate closely matches last year’s processing rate, which was the best in several years. (Due to the calendar, last year’s numbers include one more day of processing than this year.)
- **Phone service.** IRS assistors and automated systems answered more than 59.2 million phone calls – a 16 percent increase from last year. Taxpayers who wished to speak directly to an IRS assistor got through 66.5 percent of the time, up from 62.2 percent last year.

The Service’s correct-response rate also is improving. The cumulative correct-response rate on tax-law calls is 78 percent; while calls about individual accounts the rate is 88.6 percent.

“These telephone results represent significant, clear progress toward our long-term access and quality goals,” Rossotti said. “It was made possible in part by new technology, which has been implemented during the last two years.”

According to Dalrymple, whose division has principal responsibility for the filing season, “While these upward trends are encouraging, especially occurring as we experienced the highest volume in our history, we are far from satisfied and are taking measures to ensure that taxpayers receive answers they can rely on.”

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Rossotti noted the improvements came during a challenging period for the IRS.

"This was the first filing season managed by the new organization, which went into effect just three months before the start of the filing season," Rossotti said. "We are pleased that we were able to provide significantly improved results in such a short time. This bodes well for our long-term goal of providing top-quality service on a par with the private sector."

Rossotti thanked IRS employees for their long hours and hard work processing tax returns, answering telephone calls, visiting taxpayers and performing many other important tax administration duties.

"With the reorganization, our employees had a lot on their hands this year. But our people came through and delivered one of the smoothest filing seasons ever," Rossotti said.

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2001 FILING SEASON STATISTICS

Cumulative through the week ending 4/21/00 and 4/20/01

	<u>2000</u>	<u>2001</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	113,718,000	109,513,000	- 3.7
Total Processed	83,618,000	83,031,000	- 0.7

[NOTE on Total Receipts: because the tax deadline fell this week, IRS Processing Centers had not received and counted all timely filed paper returns by the cut-off date for this report. (E-filing data is complete.) Next week's data will give a more accurate comparison to the prior year's total receipts.]

E-filing Receipts:

TOTAL	34,910,000	39,457,000	13.0
TeleFile (phone)	5,142,000	4,400,000	-14.4
Computer	29,768,000	35,057,000	17.8
Tax Professionals	24,856,000	28,412,000	14.3
Self-prepared	4,912,000	6,645,000	35.3

Refunds Certified by the Martinsburg Computing Center:

Number	73,019,000	72,866,000	- 0.2
Amount of principal	\$118.581 billion	\$124.884 billion	5.3
Average refund	\$1624	\$1714	5.5

Direct Deposit Refunds:

Number	27,238,000	31,178,000	14.5
Amount	\$56.752 billion	\$66.479 billion	17.1
Average	\$2084	\$2132	2.3